

ADVISORY OPINION 94-018

Any advisory opinion rendered by the registry under subsection (1) or (2) of this section may be relied upon only by the person or committee involved in the specific transaction or activity with respect to which the advisory opinion is required. KRS 121. 135(4).

September 22, 1994

Mr. Jeff Blair
1009 S. 4th Street
Louisville, Kentucky 40203

Dear Mr. Blair:

Thank you for contacting the Registry. Also, thank you for supplementing your letter with additional facts during our recent telephone conversation. Based on the facts you have provided, the facts to your question can be stated as follows:

You represent the Louisville Young Democrats ("LYD"). Your organization carries on a number of activities including, "sponsoring" activities which benefit the public. While you do not plan to make monetary contributions to political candidates as an organization, you do plan on volunteering services to political candidates as an organization.

Also, your charitable civic activities will primarily constitute volunteering services for various civic and charitable organizations. Finally, you intend to sponsor social activities for the LYD member.

Based on the information you have provided, your question can be stated as follows:

Should the Louisville Young Democrats register as a permanent committee with the Registry of Election Finance?

KRS 121.015(3)(c) defines a "permanent committee" ("PAC") as:

...A group of individuals, including an association, committee or organization, other than a campaign committee, political issues committee, inaugural committee, or party executive committee, which is established as, or intended to be, a permanent organization having as a primary purpose political activity which may include support of or opposition to selected candidates, slates of candidates, political parties,... Id.

The answer to your question is yes. Your organization should register as a permanent committee. The organization you describe constitutes two (2) entities. First, your organization is a social club, and it functions as such. Any contributions received by your club for social activities or to sponsor social activities should be placed in a separate account; that is a separate account from any political activity bank account. So long as the social money your organization takes in remains in a separate account,

the social activity sponsored by funds from the social account would not come under the regulation of the Registry.

The LYD is, also, in every sense of the word, a political organization that supports candidates and a political party, the Democratic Party. Therefore, the LYD should maintain a separate, segregated bank account for any money it receives in the form of political contributions. In this sense, political contributions mean contributions received to fund political activities carried on by the LYD.

Because your organization, in part, fits within the definition set forth in KRS 121.015(3)(c), it should register with the Registry under KRS 121.170. Frequently, organizations of the type you describe incorporate for liability purposes only. Splitting your organization into a political division and a social division will have the effect of preventing any possibility of LYD corporate money influencing an election. This is prohibited by the Kentucky Constitution and Kentucky campaign finance law. See Kentucky Constitution, Section 150, KRS 121.025, and KRS 121.035.

This opinion is based upon the course of action outlined in your letter. If you should have any questions, please give us a call. Thank you.

Sincerely,

Rosemary F. Center
General Counsel

RFC/db